

CONTRACT AWARD NOTIFICATION
SPECIFICATION NO. (STATE CONTRACT) RFP 518Z1
ANNUAL REQUIREMENTS FOR RECYCLING OF
ELECTRONIC EQUIPMENT

DATE: November 16, 2005

CONTRACT PERIOD: Nov 29, 2005 thru Nov 28, 2006

CONTRACTOR: CP Recovery
7534 F St.
Omaha NE 68127

PURCHASING DIVISION
K-STREET COMPLEX
440 SOUTH 8TH STREET
LINCOLN, NEBRASKA 68508
(402) 441-7410

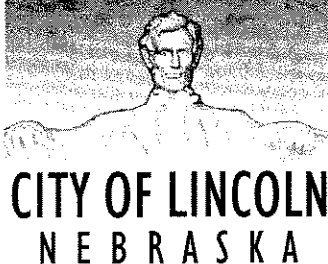
Company Representative: Jeremy McNeal
Telephone No.: 402-331-1630
FAX No.: 402-339-1513
Web Address: cprecovery@aol.com

THE CITY/COUNTY'S SPECIFICATIONS AND THE CONTRACTOR'S ACCEPTED PROPOSAL AND PRICING SCHEDULES, NOW ON FILE IN THE OFFICE OF THE CITY CLERK AND/OR THE COUNTY CLERK, ARE ADOPTED BY REFERENCE AND ARE AS FULLY A PART OF THIS CONTRACT FOR THE ABOVE-NAMED COMMODITY AS IF REPEATED VERBATIM HEREIN.

Per attached State contract RFP 518z1

NO ACTION NEED BE TAKEN BY THE CONTRACTOR AT THIS TIME. ORDERS FOR MATERIAL WILL BE MADE AS NEEDED BY THE VARIOUS CITY/COUNTY DEPARTMENTS.

DEPARTMENTS REQUIRING CATALOGS AND/OR PRICING SCHEDULES SHALL NOTIFY THE CONTRACTOR DIRECTLY.



Purchasing Division / Finance Department
Vince M. Mejer, Purchasing Agent
440 South 8th Street
Suite 200, Southwest Wing
Lincoln, Nebraska 68508

402-441-7410
fax: 402-441-6513



MAYOR COLEEN J. SENG

lincoln.ne.gov

October 17, 2005

CP Recovery
7534 F Street
Omaha, NE 68127

ATTENTION: Jeremy McNeal

RE: ANNUAL REQUIREMENTS FOR RECYCLING OF ELECTRONIC EQUIPMENT OFF STATE CONTRACT RFP518Z1

In accordance with the terms and conditions of the above referenced contract, the City of Lincoln/Lancaster County Desires to **renew the contract** for one (1) additional term beginning November 29, 2005 thru November 28, 2006

It is understood that all terms of payment and other conditions of the original contract will remain unchanged during the renewal term.

As evidence of your company's desire to renew the above referenced contract under its original terms and conditions, please countersign all three letters below. Please mail all three letters and a current insurance certificate back to our office by **October 24, 2005** for processing of the contract renewal by the City of Lincoln/Lancaster County. After the renewal has been signed and an Executive Order issued, you shall receive an Award Notification and your copy of the contract by mail.

Your Certificate of Insurance must be current, must be registered in your company name as stated on the contract and must read **City of Lincoln/Lancaster County as Additional Insured** in the Description of Operations / Locations / Vehicles / Exclusions Added by Endorsements / Special Provisions section of the Accord section.

If your company should choose **not** to renew this contract in it's original form, please state on your letterhead the **reasons** and return to the City of Lincoln/Lancaster County. Attn: Tom Kopplin

Vince M. Mejer
Purchasing Agent

CP Recovery
Company Name
7534 F. Street, Omaha, NE 68127
Company Address
402-331-1630
Phone No.
402-339-1513
FAX No.
CP Recovery@aol.com
E-Mail Address
Jeremy McNeal
By(print)
Plant Manager
Title
10-20-05
Date
Signature

Dated this 10 day
of Nov 2005

Coleen J Seng, Mayor

State of Nebraska (State Purchasing Bureau)
Request For Proposal 518Z1
Recycling of Electronic Equipment

Copy of Original Document

Opening Date: December 27th, 2004, 2:00 P.M.

Submitted by:

CP Recovery
7534 F. Street
Omaha, NE 68127
Phone: (402) 331-1630
Fax: (402) 339-1513
Contact: Jeremy McNeal

State of Nebraska (State Purchasing Bureau)
**REQUEST FOR PROPOSAL
FOR CONTRACTUAL SERVICES FORM**

RETURN TO:
State Purchasing Bureau
301 Centennial Mall South, 1st Floor
Lincoln, Nebraska 68508
OR
P.O. Box 94847
Lincoln, Nebraska 68509-4847
Phone: 402-471-2401
Fax: 402-471-2089

SOLICITATION NUMBER	RELEASE DATE
RFP Number 518Z1	November 29, 2004
OPENING DATE AND TIME	PROCUREMENT CONTACT
2:00 p.m. Central Time	Vicki Garton

This form is part of the specification package and must be signed and returned, along with proposal documents, by the opening date and time specified.

PLEASE READ CAREFULLY!

SCOPE OF SERVICE

The State of Nebraska, Department of Administrative Services, Materiel Division, Purchasing Bureau, is issuing this Request for Proposal, RFP Number 518Z1 for the purpose of selecting a qualified contractor to provide recycling services for end of life electronic equipment.

Written questions are due no later than December 13, 2004, and should be submitted via e-mail to matpurc@notes.state.ne.us. Written questions may also be sent by facsimile to 402-471-2089.

Bidder should submit one (1) Original and five (5) copies of the entire proposal. Proposals must be submitted by the proposal due date and time.

**PROPOSALS MUST MEET THE FOLLOWING REQUIREMENTS TO BE CONSIDERED VALID.
PROPOSALS WILL BE REJECTED IF NOT IN COMPLIANCE WITH THESE REQUIREMENTS.**

1. Proposals must be received in State Purchasing by the date and time of proposal opening indicated above. **NO late proposals will be accepted. NO fax proposals will be accepted.**
2. Proposals must meet all specifications of the RFP and terms and conditions of this form. Proposals that do not conform to the mandatory items as provided in the proposal instructions will not be considered.
3. This form **"REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES"** **MUST** be manually signed by an authorized agent, in ink, and returned by the proposal opening date and time along with your proposal and any other requirements as specified in the RFP in order to be considered for an award.

CONTRACTOR MUST COMPLETE THE FOLLOWING

By signing this Request For Proposal For Contractual Services form, the Contractor guarantees compliance with the provisions stated in this Request for Proposal, agrees to the Standard Conditions and Terms of Contractual Services and Leasing Solicitation and Offer and certifies that they maintain a drug free work place environment.

FIRM: CP Recovery

COMPLETE ADDRESS: 7534 F. Street, Omaha, NE 68127

TELEPHONE NUMBER: (402) 331-1630

FAX NUMBER: (402) 339-1513

SIGNATURE

DATE: December 27, 2004

TYPED NAME & TITLE OF SIGNER: Jeremy McNeal, Manager

WORK PLAN:

Processing and separation of CRT-containing electronics and computer components must include, at a minimum:

- ***Disassembly of all CRT-containing electronics and computer components collected in order to recover parts suitable for reuse or for use in repairing older model devices, if feasible, such as "mother boards", working CRTs, disk drives, hard drives, speaker parts, keyboards and mice.***
- ***Examination of collected items prior to disassembly to determine the feasibility of reuse or repair and resale.***
- ***Repair of items that are repairable.***
- ***Sale of reusable or repaired products or transfer to reseller for sale***

Collection of the electronic equipment will occur in two ways; pick-up by CP Recovery or delivery by the State Agency to a designated facility. In the event that a State Agency decides to deliver electronic equipment, CP Recovery must be notified at least 72 hours prior to delivery date at any designated facility. ID Tags and an associated Bill of Lading will then be sent to the delivering agency and must be placed on each piece of equipment for tracking and verification purposes. The ID Tags will consist of the Agency name, location, and either the Surplus number issued by the agency or the number provided by the Department of Surplus Property. We feel that a close working relationship with the Department of Surplus property will make this project easier and much more efficient for everyone.

The designated facility for District 1 (Omaha) will be CP Recovery's processing site at 7534 F. Street, Omaha, NE 68127. The hours for drop-off at this site will be from 8:30 A.M. To 6:30 P.M. Monday thru Friday and Saturday 8:30 A.M. to 12:30 P.M. District 2 (Lincoln) will have two sites for drop-off; The first site will be the State of Nebraska Surplus Property site, as outlined in Addendum One to this RFP, and a Second Site at Strong Box Self Storage, 2861 West 'O' Street, Lincoln Nebraska.

The Surplus Property site for drop-off will have a permanently parked trailer for all drop-offs. Any Agency that uses this drop-off will be required by CP Recovery to unload their own equipment; we have no expectations placed on Surplus Property to unload another agency's equipment. Gaylord boxes and pallets will be provided inside the container to be filled for shipment to our processing facility.

The Self-Storage site will be accessed by a key from the On-Site Manager, and Gaylord Boxes and Pallets will be provided inside the unit. The same ID Tags will be used for either the Surplus Property Site or the Self-Storage Site.

Upon receipt of all incoming electronic and computer components, CP Recovery utilizes a screening process to determine the reusability and/or resale of any electronic components for repair or upgrade in other electronics. All reusable components are donated to a non-profit organization with the intention of redistributing those electronics to people in need. However, every memory-containing device (i.e. hard drive) is electronically swiped to ensure customer confidentiality.

After a screening process is complete and an electronic component is deemed non-repairable and non-reusable, the component is dismantled for recycling by the use of hand tools. A CRT is divided into six parts:

- Plastic
- Scrap Metal
- Circuit Board
- Wire and copper coil
- Leaded glass
- Wood and other recyclable components

Using tools for the safe disassembly of these pieces, a CRT-containing component, is then separated by type before further recycling can take place. All plastics are baled and sold for recycling purposes. Metal is baled and sold as scrap for further recycling. Circuit boards are collected and sent to a precious metals recovery site for the safe and proper reclamation of precious metals such as Gold, Silver and Palladium. Wire is collected and resold for the precious metal content. Wood materials are sent to a recycling facility for placement in a mulch-like compound.

Once a CRT has been separated of all plastics, metals, circuit boards and wire, the remaining piece to be recycled is the glass tube, which consists of two parts: The screen and funnel. These two pieces of glass are different in the amounts of leaded glass that they each contain. Using the ENV25 "Glass-Cutter", approved by the Nebraska Department of Environmental Quality, the screen and funnel are separated by a self-contained saw, which is hydraulic-powered and water-cooled. The separated screen and funnel are then placed and sealed in separate Gaylord Boxes for shipping to a glass recycling facility for re-use in new leaded glass products. The residues from this cutting process (silica) are self-contained in the water used for cooling the saw blade. This water is constantly recycled within the machine. The silica is then removed from the water tank and placed in a sealed drum for shipping with the leaded glass. Once received by the recycling facility that accepts the leaded glass, the silica is mixed back in with the recycled glass for new leaded glass products. CP Recovery is the only licensed facility within the State of Nebraska for the recycling of CRT-containing components. No burning or incineration shall be used in the recycling of a CRT. This process is exclusive to CP Recovery within a 300 mile radius of Omaha, Nebraska. Only 6 of these machines are in operation within the United States.

For the disassembly of all non-CRT containing equipment, components must be separated for further recycling. Plastics, metals, printed circuit boards, hard drives, wire and CD/Floppy drives are removed from the housings of the equipment. All hard drives are physically destroyed on-site. All plastics are baled and sold for recycling purposes. Metals and CD/Floppy Drives are baled and sold as scrap for further recycling. Circuit boards are collected and sent to a precious metals recovery site for the safe and proper reclamation of precious metals such as Gold, Silver and Palladium. Wire is collected and resold for the precious metal content. Wood materials are sent to a recycling facility for placement in a mulch-like compound.

Bidders should provide information on ultimate destination(s) of all products recycled or reused under this contract. Bidders should identify to the greatest extent possible the saleable end product and all end markets that will be utilized by the contractor or subcontractors for some or all of the following:

- **Cathode ray tubes, leaded glass and non-leaded glass:**
Envirocycle
P.O. Box 899
Hallstead, PA 18822
Greg Voorhees, Vice President
(570) 879-2862
EPA ID: PAD981041676

Envirocycle will process all glass on-site, and then send to a glass manufacturer to be re-used for a new CRT monitor.

- **Fiberglass residue and plastics:**
Kings Enterprises
5311 S. 145th Street
Omaha, NE 68137
(402) 968-1975
Attn: Sonny Emmanuel

Kings Enterprises is a plastics processor which will grind all plastics before placing into a plastics stream for new products.

- **Ferrous, non-ferrous metals, and wiring:**
Alter Scrap Processing
2803 9th Avenue
Council Bluffs, IA 51501
712-328-2601

All metals and wiring all smelted and processed for new metal materials.

- **Printed circuit boards:**
Metech International
120 Mapleville Main Street
Mapleville, RI 02839
(401) 568-0711
Attn: John Silvestri
California EPA ID: CAD077182293
Rhode Island EPA ID: RID063890214

All circuit boards are "roasted" for their precious metals content before separation from the lead solder. Gold, silver and palladium are then cleaned and sold on the open market. Lead solder is reused for new circuit boards.

- **Wood from Console Television:**

River City Recycling Center
6030 S. 60th St.
Omaha, NE 68117
(402) 731-0414

The wood casing becomes mulch and used in covering of various materials.

Background and Technical Qualifications:

Carpet Pad Recovery (CP Recovery) has been in operation since June of 1997. The primary form of recycling since our inception is the recycling of carpet/urethane foam. In seven years of operation, we have recycled over 8,000,000 pounds of urethane foam. Nylon carpet recycling was active for approximately 2 years in which time over 3,000,000 pounds were recycled within our facility.

Electronics recycling was created as an addition to CP Recovery's other recycling programs in January of 2001. In nearly 4 years of operation, over 1,800,000 pounds of electronic equipment has been processed for our unique glass-to-glass recycling, including more than 700,000 pounds of CRT monitors.

CP Recovery's staff has been trained by members of Envirocycle, Inc. at the time of purchase of the "Glass-Cutter" in the proper handling and recycling of CRT's. All processes concerning the recycling of CRT's has been monitored by the Nebraska Department of Environmental Quality without any objection. The staff member in charge of re-use and re-sale has an educational background from Vatterott College with a major in Computer Technology.

Added Value of Using CP Recovery as a Contractor:

CP Recovery is the only licensed facility in the State of Nebraska for the proper destruction and subsequent recycling of Cathode Ray Tubes. The Nebraska Department of Environmental Quality mandates routine inspections to ensure that CP Recovery is in compliance with all waste guidelines as provided by the NDEQ. Our leaded-glass recycling process has been in operation since July 8th, 2002 and has a clean record with the NDEQ.

Also, using a Nebraska based business will have a greater economic impact locally as compared to outsourcing this contract to an out-of-state vendor. With statistics provided by the State of Nebraska Department of Economic Development, the jobs created by this contract can have a direct economic impact of approximately \$20,000 for the local economy. The positions and approximate salaries would be as follows:

Processing Technician (part-time): \$8,000
Driver (part-time): \$8,000

In the associated pages, the employment multiplier of the computer industry is 2.2, which indicated the number of indirect jobs created in the local economy as a result of the direct

jobs used in the processing of electronic equipment. Therefore, $2.2 \times 1 = 2.2$ new jobs created, both directly and indirectly, into the local economy.

The income multiplier of the computer industry is 1.8, which indicated the amount of direct wages paid to the direct jobs as well as the money spent on other goods and services in the local economy by those jobs created, as a sort of "trickle-down" effect. Therefore, \$16,000 in total new wages times the 1.8 multiplier = \$28,800 direct and indirect wages that will be accumulated and reinvested in the local economy. This is 2.2 jobs and \$28,800 that can be reinvested in the local economy, rather than sending that money outside of the State of Nebraska where very little, if any, reinvestment will occur.

Thank you for considering CP Recovery for this bid.

FORM A – Bid Document

Failure to complete and include this form will be cause for rejection of the request for proposal for contractual services response.

RATES FOR DISTRICT 1 (Omaha)

CRTs Contractor Pick-up price (*1)	\$8.50	each
CRT's Delivered price (*2)	\$8.00	each
Laptop computers pick-up price (*1)	\$.30	/lb
Laptop computers delivered price (*2)	\$.30	/lb
Televisions pick-up price (*1)	\$.35	/lb
Televisions delivered price (*2)	\$.35	/lb
Printers pick-up price (*1)	\$.30	/lb
Printers delivered price (*2)	\$.30	/lb
CPU's & accessories pick-up price (*1)	\$.28	/lb
CPU's & accessories delivered price (*2)	\$.28	/lb
Fax machines pick-up price (*1)	\$.30	/lb
Fax machines delivered price (*2)	\$.30	/lb

*1 = This fee includes all transportation, weighing, processing charges and pickup charges.
Trip charges will not be allowed.

*2 = This fee includes all processing charges and weighing charges.

Vendor please state if a facility is located in this district for delivered products

Yes X No

If yes, please provide drop-off location and hours of operation:

CP Recovery, 7534 F. Street, Omaha, NE 68127
Hours: 6:30 AM to 6:30 PM Monday thru Friday
Saturday 8:30 AM to 12:30 PM

Please state if quantity discount is available Yes X No

If yes, please provide pounds where discount would apply 5,000 pounds-5%

FORM B – Bid Document

Failure to complete and include this form will be cause for rejection of the request for proposal for contractual services response.

RATES FOR DISTRICT 2 (Lincoln)

CRTs Contractor Pick-up price (*1)	\$9.00	each
CRT's Delivered price (*2)	\$8.50	each
Laptop computers pick-up price (*1)	\$.30	/lb
Laptop computers delivered price (*2)	\$.30	/lb
Televisions pick-up price (*1)	\$.35	/lb
Televisions delivered price (*2)	\$.35	/lb
Printers pick-up price (*1)	\$.30	/lb
Printers delivered price (*2)	\$.30	/lb
CPU's & accessories pick-up price (*1)	\$.28	/lb
CPU's & accessories delivered price (*2)	\$.28	/lb
Fax machines pick-up price (*1)	\$.30	/lb
Fax machines delivered price (*2)	\$.30	/lb

*1 = This fee includes all transportation, weighing, processing charges and pickup charges. Trip charges will not be allowed.

*2 = This fee includes all processing charges and weighing charges.

Vendor please state if a facility is located in this district for delivered products

Yes X No

If yes, please provide drop-off location and hours of operation:

Surplus Property Site, 5001 S. 14th Street, Lincoln, NE

Strong Box Self Storage, 2861 West 'O' Street, Lincoln, NE 68528

Hours of Operation: 24 hours a day

Please state if quantity discount is available Yes X No

If yes, please provide pounds where discount would apply 5,000 pounds-5%

Attachment A

As you complete your company's bid for this RFP, please make sure you have included the necessary information for the following categories:

_____ Cost (Form A and Form B)

_____ Attachment A

_____ Attachment C: Copy of Nebraska Department of Environmental Quality
Concerning the Recycling of CRT's

STATE OF NEBRASKA

COPY



Mike Johanns
Governor

DEPARTMENT OF ENVIRONMENTAL QUALITY

Michael J. Linder

Director

Suite 400, The Atrium

1200 'N' Street

P.O. Box 98922

Lincoln, Nebraska 68509-8922

Phone (402) 471-2186

FAX (402) 471-2909

FEB 18 2004

RE: Notice of Decision
Carpet Pad Recovery, LLC
7534 F Street
Omaha, Nebraska 68127

To Whom It May Concern:

The Department received no comments during the public comment period from January 12, 2004 to February 10, 2004 relative to renewal of Variance Order Case No. 2365. The Director has made a decision to grant a renewal of the Variance Order. The Variance Order grants a temporary variance from classifying Cathode Ray Tube (CRT) glass recovered by Carpet Pad Recovery, LLC as a solid waste.

The decision to grant this renewal of variance order may be appealed under Neb. Rev. Stat. §81-1509. Any appeal of the final order shall be done in accordance with the Administrative Procedures Act, Neb. Rev. Stat. §84-901 to 84-920 and Title 115 – Rules of Practice and Procedure.

Sincerely,

A handwritten signature in black ink, appearing to read "D. B. Haldeman".

David B. Haldeman, Administrator
Waste Management Division

JDH/jdh

Enclosure

cc: Mr. Dick McNeal, Carpet Pad Recovery, LLC

BEFORE THE NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF
CARPET PAD RECOVERY, L.L.C.
7534 F Street, Omaha, Nebraska
FID#49980

Case No. 2365

VARIANCE ORDER

NOW this matter came before the Director of the Department of Environmental Quality on the application of Carpet Pad Recovery, L.L.C. (herein after "Carpet Pad") for Order granting a variance renewal by the requirements of Nebraska Department of Environmental Quality (Department) Regulations, Title 128, *Nebraska Hazardous Waste Regulations*, Chapter 5, Section 001.04. The initial variance allowed Carpet Pad not to classify Cathode Ray Tube (CRT) glass recovered by Carpet Pad as a solid waste. Carpet Pad is reclaiming material from outdated and non-working CRTs and this material is being sold as feedstock to CRT processors after being processed for shipping. The variance is necessary to remove a regulatory barrier to recycling this glass, which would otherwise be classified as a solid waste and a characteristic hazardous waste.

The Department has investigated the facts and circumstances of the application. The Director finds, that the application of the regulation would continue to create barriers to recycling this glass and greatly increase the costs and the ability of the company to proceed with this recycling. Further, it appears that very little further processing is required, that there will be value for the glass after it is reclaimed, that the glass is very analogous to a raw material, that it appears from the information presented that there is an end market for the glass and that the material can be handled to minimize loss effectively.

IT IS THEREFORE ORDERED that Carpet Pad Recovery L.L.C. is granted a variance from the regulatory requirement that the CRT glass it recovers is a solid waste under the following terms and conditions:

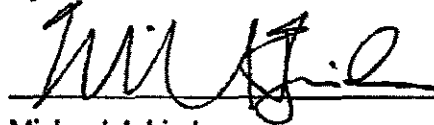
1. Carpet Pad shall record the total number and total weight of CRTs it receives for processing and the total weight of processed CRTs shipped for further processing each calendar month. Carpet Pad shall report this calendar-month activity twice a year. The report shall be due July 15 and January 15 for the preceding six-month period and shall be submitted the report to the Department's Waste Management Division.
2. Carpet Pad must process CRTs for recycling of at least 75 percent of the amount, by weight, of cathode ray tubes received for processing over the calendar year period beginning January 1.
3. Carpet Pad may place CRT funnels that have been cut from the CRT front panel into open Gaylord containers for shipping, provided that no additional breaking, crushing, or other procedure intended to reduce or modify the size or shape of the CRT funnel shall be allowed, other than those steps necessary to remove the electron gun.
4. Carpet Pad shall ship CRT glass processed for further processing as feedstock for CRT production.
5. Carpet Pad shall keep shipping containers holding Carpet Pad's processed CRT funnels closed to prevent loss of the container's contents during transport or storage. Containers receiving processed CRT funnels may remain open until

the container is either full or, if not full, will not receive processed CRT funnels over an eight (8) hour period.

6. Carpet Pad shall keep shipping containers holding the sand-like materials resulting from cutting saw operation closed to prevent loss of the container's contents during transport or storage.
7. All other terms and conditions of the Title 128 are in full force and effect.
8. This Order of Variance shall terminate one (1) year from the date hereof, or upon further order of the Director, whichever is the first to occur.

Dated this 17th day of February, 2004.

By the Director:

A handwritten signature in dark ink, appearing to read "Michael J. Linder", written over a horizontal line.

Michael J. Linder
Director
Department of Environmental Quality